

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

June 6, 1986



ALL COUNTY LETTER NO. 86-48

TO: ALL COUNTY WELFARE DIRECTORS  
ALL COUNTY COUNSELS  
ALL PROBATION DEPARTMENTS  
ALL COUNTY AUDITORS  
ALL COUNTY FISCAL OFFICERS  
ALL COUNTY ADMINISTRATIVE SERVICES OFFICERS

SUBJECT: GUIDELINES FOR IMPLEMENTING AB 3632/AB 882

REFERENCE: ALL COUNTY INFORMATION NOTICES (ACINs) I-20-86 and I-38-86  
ALL COUNTY LETTER (ACL) 85-26

This All County Letter provides county welfare departments (CWDs) with information and instructions for implementing Chapter 1747, Statutes of 1984 (AB 3632) as amended by Chapter 1274, Statutes of 1985 (AB 882). These statutes assign to specific agencies responsibility for educationally related services and out-of-home care for seriously emotionally disturbed (SED) children placed pursuant to an individualized education program (IEP). CWD responsibilities are effective July 1, 1986.

OUT-OF-HOME CARE PAYMENTS

Pursuant to Welfare and Institutions Code (WIC) Sections 18350 through 18355 (added in AB 882), the State Department of Social Services (SDSS) has developed a separate payment system for SED children and will supervise CWD payment issuance. In order to qualify for out-of-home care payments, SED children must be placed pursuant to an IEP team determination that residential placement is necessary for educational purposes.

The county mental health (CMH) department is responsible for all payment eligibility determinations. In addition, the CMH will verify the facility rate and complete an authorization document for each child in order to initiate payment. The State Department of Mental Health (SDMH) will issue a sample authorization document for use by the CMHs. CMHs will be instructed to meet with CWD staff to finalize the document and develop procedures based on the specific needs of each local agency. The CMH will submit the authorization documents directly to the CWD unit responsible for issuance of warrants. Based on the authorization, CWDs will issue payments to the designated provider by the 15th of the month following the furnishing of care, and will submit claims to SDSS for reimbursement.

Placements within the state must be made into facilities licensed by Community Care Licensing. Payment to licensed facilities for out-of-home care will be the same rates as those established for state Aid to Families with Dependent Children-Foster Care (AFDC-FC) children. Payments for out-of-state placements must be in facilities licensed by that state and will be at that state's established rate for board and care.

Payments will be funded from a separate appropriation in the SDSS budget. Reimbursements for both out-of-home care payments and local administrative costs will be subject to that appropriation and the same sharing ratios as established for the state AFDC-FC program. SDSS is setting up an internal monitoring system in order to identify any shortfalls in the SED appropriation and take appropriate action to secure additional funding as needed. Information on the final SED appropriation amount will be provided as soon as it is available.

#### Quality Control/Overpayments

The SDMH and the CMH are responsible for ensuring that payments are made only for eligible children and that such payments are in the correct amount. The CMH will be responsible for any errors due to the authorization document being incorrectly completed (e.g., an incorrect provider amount or length of placement). The SDMH is developing the necessary policies and procedures regarding eligibility, payments, and provider overpayments. The CWD will be responsible only for those errors in which the amount paid to the provider is different than the amount indicated on the authorization document. Further information and instructions on this subject will be provided in the future.

#### PLACEMENT AND SERVICES RESPONSIBILITIES

##### Nondependent Child

The CMH is responsible for participating on the IEP team and providing case management and supervision of SED children who are placed out-of-home pursuant to an IEP. The CMH case manager is responsible for: 1) identifying an appropriate placement (with input from parents and other agencies); 2) arranging the placement; and 3) coordinating the transportation to and from the placement. The local education agency (LEA) is responsible for transportation to a nonpublic school/residential placement. Additional transportation needs and responsibilities will be negotiated with the LEA by the CMH case manager.

For a nondependent child, the role of the CWD in the IEP process is limited to providing information on appropriate facilities, when requested by the IEP team. In order to assist CWDs in this role, the SDSS will provide CMHs with the AFDC-FC Group Home Rate Notification Listing on a regular basis.

### Dependent Child (or Ward)

When an IEP team meeting is conducted for a court dependent, absent any specific court order to the contrary, the agency which has been assigned care, custody and control by the court is responsible for functioning as the child's legally responsible agent for educational purposes. This responsibility includes consenting in writing to assessments and the content of the IEP. The IEP cannot be implemented without the CWD's consent. This responsibility cannot be delegated. (However, when reunification is anticipated, the child's parents should also be encouraged to participate in the IEP process.)

IEP case management responsibility may be delegated to the CWD by agreement between the CWD and CMH as specified in Government Code Section 7572.5(c)(1). If CWDs assume case management for nondependent children, however, the federal Department of Health and Human Services has informed SDSS that such children must also be provided the full range of mandated Title IV-B services identified in Public Law 96-272 (42 USCA Sections 620 et seq.). These include family reunification or permanent placement services, periodic reviews and permanent planning hearings. Failure to provide such services would jeopardize federal AFDC-FC funds for all children in the state. SDMH remains responsible for funding IEP case management activities.

Children for whom dependencies are dismissed as the result of an IEP designation of residential placement will be served under the new payment system. Children who are neglected or abused and are already placed out-of-home as a result of being adjudicated court dependents will continue to be served under the AFDC-FC program even if they are also determined to be SED. Therefore, the agency vested with care, custody and control by the court (the CWD) will continue to be responsible for determining placement and for case management of required child welfare and AFDC-FC services.

In order to avoid confusion over roles and responsibilities, the CWD should ensure that the IEP team does not identify out-of-home care as a necessary IEP service when a dependent child is appropriately placed out-of-home for non-educational reasons and is receiving AFDC-FC payments as a result of dependency status. For such children, necessary mental health services should be designated on the IEP and provided by the CMH as a related IEP service. In these cases, there is no CMH case management responsibility because the child is not placed out-of-home pursuant to an IEP. The CWD continues to provide case management and the IEP team is responsible for ensuring that all IEP related educational, including mental health, services designated in the IEP are provided.

The procedures outlined above also pertain to probation departments and children who are adjudicated wards of the court and are placed out-of-home with AFDC-FC funding.

### Medi-Cal

According to the State Department of Health Services, SED children placed out-of-home pursuant to an IEP are eligible for Medi-Cal under the Medically Indigent Program. An application will be made on behalf of the child by the parent(s) or public agency assuming responsibility for the child, i.e., the CMH case manager. CWDs should issue Medi-Cal cards and claim costs for such activities through the regular process.

### CLAIMING INSTRUCTIONS

#### Claiming - Assistance Payments

As previously notified in All County Letter No. 85-26, dated February 21, 1986, CWDs are to use Code 05 to identify payments made on behalf of SED children. These payments and repayments will be shared on the basis of 95 percent state and 5 percent county funding.

The Summary Report of Expenditures for Seriously Emotionally Disturbed Children (CA 1019) has been designed to summarize SED payments (sample attached). It is anticipated that CWDs will receive an initial supply by mid-June. Additional pads of the form may then be obtained by ordering them from the SDSS warehouse.

Payments made on behalf of SED children that are claimed for 95 percent state participation will not exceed the state set rate obtained from the AFDC-FC Group Home Rate Listing. The CWD's obligation is to pay only the state set rate. If the county chooses to supplement the payment, the supplement must not be reflected on the summary document. In addition, the amount not reimbursable from state funds must be clearly identified on the payroll.

Even though payments made on behalf of SED children do not constitute an aid payment or aid program, the same substantiation as required by Manual of Policies and Procedures (MPP) 25-750 must be submitted with the SED Summary Report. Form CA 1019, along with the required substantiated payroll in program number order (program number may be obtained from the AFDC-FC Group Home Rate Listing), must be submitted monthly by the eighth working day of the subsequent month to: State Department of Social Services, 744 P Street, MS 8-300, Sacramento, California, 95814.

The SDSS has explored the option of providing fund advances for SED payment costs. However, sufficient expenditure data upon which to base individual county advances for payments and administrative costs is not available at this time. Therefore, reimbursement will be on a cash-claim basis. The advancement of funds to the counties will be considered at a later date.

### Claiming-Administrative Costs

Effective with the July-September 1986 quarter, the CWD Administrative Expense Claim will be revised to include the SED payment system. CWDs are instructed to include time spent by social services staff for specified activities on Line DD SED Payment System on the DFA 46, Social Services Individual Time Study. Activities captured on this line are limited to those performed on behalf of children who are nondependents and have been referred to an IEP team for assessment. The activities include only the following items when requested by the IEP team:

1. Gathering and providing placement information.
2. Time spent attending the IEP team meetings related to nondependent children to provide resource information on potential placements.

Do not include any time spent providing assistance or information to the IEP team related to dependent children who have been identified as SED or are suspected to be SED. The CWD is the legally responsible agent for this group of children, therefore, these activities are considered part of Child Welfare Services (CWS) case management activities. These activities are to be charged to the appropriate CWS Program and funded by the CWDs' CWS allocation.

In addition, do not include any time spent related to the dependency dismissal for children being transferred to the SED payment system. This time is to be charged to the appropriate CWS program and funded by CWDs' CWS allocation.

If IEP case management responsibilities are delegated to the CWD by agreement between the CWD and the CMH, the activities are to be separately identified on an unused line on the DFA 46. The expenditures associated with this time are to be carried throughout the CWDs' administrative claim and charged to county only funds. The CWD must collect the appropriate reimbursement for the IEP case management activities from the CMH.

Any time spent by eligibility and nonservice staff on an SED payment is to be charged to Nonallocable on the DFA 43, Eligibility/Nonservices Individual Time Study.

### DATA COLLECTION

The SDSS and State Department of Education (SDE) are required to report to the Legislature by January 1, 1988, any growth in the number of SED children in out-of-home care as a result of AB 3632/AB 882. The two departments are in the process of determining the data needed to meet both this requirement and a mandated legislative report on AB 3632/AB 882 implementation. Specific instructions on data reporting requirements will be issued at a later date. Pending receipt of these instructions, it is recommended that CWDs keep track of the number of children referred to the LEA for assessment, the outcome of the referral, and the number of children for whom dependencies were dismissed and payment initiated under the new SED payment system.

The SDSS is developing internal data collection procedures to monitor the caseload growth of SED children. Effective July 1, 1986, this information will be obtained from the Summary Report of Expenditures for Seriously Emotionally Disturbed Children (CA 1019).

Successful implementation of comprehensive services for handicapped children, and specifically SED children with IEPs, is dependent upon coordination and cooperation among the CWD, CMH, LEA and other local agencies. Many issues and questions relating to serving this population will need to be worked out on the local level. Therefore, CWDs are encouraged to continue meeting with other agencies in order to set up lines of communication, share information and determine local implementation processes and procedures.

If you have any questions on claiming, please contact Cheryl Woolman (Assistance Payments) at (916) 323-0282, ATSS 473-0282; or Sue Turek (Administrative Costs) at (916) 323-0276, ATSS 473-0276. For additional questions, please contact Lisa Foster at (916) 445-0813, ATSS 485-0813.

*for Robert A. Horel*  
 ROBERT A. HOREL  
 Deputy Director  
 Welfare Program  
 Division

*Loren Suter*  
 LOREN SUTER  
 Deputy Director  
 Adult and Family  
 Services Division

*Robert T. Sertich*  
 ROBERT T. SERTICH  
 Deputy Director  
 Administration

Attachment

cc: CWDA  
 SELPA Administrators  
 County Mental Health Directors

**SUMMARY REPORT OF EXPENDITURES FOR -  
SERIOUSLY EMOTIONALLY DISTURBED CHILDREN**

For State Use

☐ LSS☐ County Welfare☐ County Auditor

COUNTY

DATE (MONTH, YEAR)

A PERSONS COUNT	B AMOUNTS	SOURCE DOCUMENTS
		1. Main Payroll
		2. Current Month Supplemental Payroll
( ) ( )		3. Current Month Cancellation Contra Roll
		5. Prior Months Supplemental Payroll
		6. Subtotal (reconciliation totals)
( ) ( )		7. Prior Months Cancellation Contra Roll
( ) ( )		8. Abatements
		9. Schedule of Adjustments (show minus items in parentheses)
		10. Subtotals (Lines 7, 8, 9)
		11. DSS Office Audit Corrections (for state use only)
		12. TOTAL

**SAMPLE**  
STATE COUNTY  
Line 3 Line 12B minus Line 13C

				13.
REPAYMENTS	( ) ( ) ( )			14.
GRAND TOTALS				15.
	(Lines 12B and 14B)	(Lines 13C and 14C)	(Lines 13D and 14D)	16.
				17.
				18.
(FOR COUNTY USE)	PERS CTS			19.

I HEREBY CERTIFY, under penalty of perjury, that I am the official responsible for Seriously Emotionally Disturbed Children payments, repayments and adjustments and the amounts reflected herein have been made in accordance with all provisions of the Welfare and Institutions Code and the rules and regulations of the Department of Social Services.

I HEREBY CERTIFY, under penalty of perjury, that I am the officer in aforesaid county responsible for the examination and settlement of accounts; that the amounts claimed herein are in accordance with authorizations for Seriously Emotionally Disturbed Children; that said amounts correctly reflect State and County Shares in the payments claimed and that warrants therefore have been issued according to law and the rules and regulations of the Department of Social Services.

SIGNATURE OF COUNTY WELFARE DIRECTOR

DATE

SIGNATURE OF COUNTY AUDITOR OR CONTROLLER

DATE

## INSTRUCTIONS FOR USE OF FORM

1. Enter county name and month and year of claim in space provided.
2. Complete Lines 1 through 5 and 7 through 9 in accordance with the amounts shown on the integrated payroll summary (for nonintegrated payrolls enter grand totals shown for each payroll or contra roll). All money amounts on the Form may be rounded to the nearer dollar. **Note:** Line 4 (Zero Grant Persons Count) has been deleted because under the SED Program there is no provision for reducing a grant to zero to recover a previous overpayment.
3. Enter the subtotals in Lines 6 and 10 and the totals in Line 12.
4. Line 13C - Enter the state share: total aid paid (12B) multiplied by 95 percent
5. Line 13D - Enter the county share: total aid paid (12B) minus state share (13C).
6. Line 14 - Enter the total repayments as reported on the Repayment Contra Roll.
7. Line 15 - Enter grand totals.
8. Lines 16 and 17 - Reserved for State Use.
9. Lines 18 and 19 - Included at county request and use is optional. If adjustments are reported in Line 9 which affect total aid paid, this space may be used for reconciling total expenditures as reported by the welfare department with the county auditor's records of expenditures.

**SAMPLE**